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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 04/19/06

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3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, April 18

NIHON KEIZAI (Page 2) (Full)  
April 19, 2006

09:01

Attended a cabinet meeting in Diet.

09:27

Met with Information Officer Mitani at Kantei.

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11:05

Met with architect Tadao Ando, and later met with Akira Endo, chief of Biopharm, and others. Afterwards, met with JCG Director-General Ishikawa.

14:04

Met with Masamichi Sekiguchi, director of the Japanese Dolls Association, and others.

14:14

Visited the creative cloth wrapper "Furoshiki" Exhibition at Recruit Ginza 8 Building at Ginza.

14:40

Returned to Kantei.

16:00

Met with Vice Finance Minister Hosokawa and MOF Budget Bureau Director-General Fujii, joined by Vice Finance Minister for International Affairs Watanabe and MOF International Bureau Director-General Ido.

17:32

Attended the award ceremony to give the certificates of revitalization plans for special districts and zones for structural reform.

18:03

Met with State Minister in Charge of Financial Affairs and Economic and Fiscal Policy Yosano.

19:06

Dined with members of the LDP's "New Female Legislators' Meeting" at a restaurant at Kaigan, Minato Ward.

21:05

Returned to residence.

4) Koizumi cabinet in office for 5 years; 59% see social divide as expanding from structural reforms; 70% laud performance

YOMIURI (Page 1) (Full)  
April 19, 2006

The Yomiuri Shimbun conducted a face-to-face nationwide public opinion survey, in which a total of 70% lauded the performance of Prime Minister Koizumi and his cabinet over the past five years. Such a high rating for the work done by the Koizumi cabinet can be taken as reflecting the enactment into law last year of legislative measures for postal privatization and his breaking down of factional politics in his ruling Liberal Democratic Party. However, nearly 60% think that the Koizumi cabinet's structural reforms have caused an expanding social divide. In the arena of foreign relations, more than 70% think the premier's

visits to Yasukuni Shrine have seriously damaged Japan-China relations. The general public gives passing marks to Koizumi, but the poll shows that they are deeply dissatisfied with some negative aspects of his government.

The Koizumi administration will mark its fifth anniversary on April 26. The survey was conducted April 8-9 across the nation, with a total of 3,000 persons sampled out of the nation's voting

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population. The rate of respondents was 60.8%.

In the survey, respondents were asked if they appreciated the performance of Prime Minister Koizumi and his cabinet over the past five years. In response, the proportion of "yes" was up 12 percentage points from last year's survey and was at its highest over the past five years, with "no" totaling 28%. In the breakdown of public ratings for the Koizumi cabinet's performance in domestic and foreign policies, a total of 67% positively rated the Koizumi cabinet's domestic achievements, with a total of 59% appreciating its foreign policy.

Respondents were also asked to pick one or more policy tasks that were achieved by the Koizumi cabinet in particular. In response to this question, the privatization of three state-run postal services accounted for 44%, with the privatization of four public highway corporations at 25% and the North Korea issue at 25%. Social security and educational reforms accounted for only 2%.

Respondents were further asked about the Koizumi cabinet's restructuring drive. In response, positive ratings totaled 60%, with negative ones at 30%. Asked if the nation's social divide has expanded as a result of structural reforms, "yes" totaled 59%, with "no" at 35%.

On the diplomatic front, Koizumi has visited North Korea twice and met with Kim Jong Il. Asked about this, positive ratings totaled 81%. When it comes to the deployment of Self-Defense Forces troops in Iraq, positive ratings totaled 51%, with negative ones at 45%.

In the meantime, however, Japan and China have had no mutual visits of their leaders for more than four and a half years. Asked about this situation, serious views totaled 72%. In this connection, respondents were asked if Koizumi was to blame for his visits to Yasukuni Shrine. In response to this question, "yes" totaled 61%, with "no" at 36%. A total of 63% positively evaluated his political style and remarks.

5) Coordination underway for Prime Minister Koizumi's visit to US on June 28, 29

MAINICHI (Page 2) (Full)  
April 19, 2006

The governments of Japan and the United States are now coordinating a plan for a state visit to the US by Prime Minister Junichiro Koizumi on June 28-29, the Mainichi Shimbun learned yesterday. Besides meeting with President George W. Bush in Washington, the two governments are looking into a possibility that Koizumi will visit Memphis, Tennessee, where Elvis Presley was born. Koizumi is a big fan of Elvis.

6) Chinese president's remarks are expression of "sincerity toward improving bilateral ties," Chinese official tells former Prime Minister Hashimoto

ASAHI (Page 4) (Full)  
April 19, 2006

Keiko Yoshioka, Beijing

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Chinese Peoples' Political Consultative Conference Chairman Jia Qinglin met yesterday with former Prime Minister Ryutaro Hashimoto, who chairs the Association for the Promotion of International Trade. Hashimoto is now visiting Beijing. Jia told Hashimoto that what Chinese President Hu Jintao said in a meeting in late March with seven Japanese delegations to China was the "expression of China's forward-looking stance."

Hashimoto revealed this in a press conference. Jia explained to Hashimoto that Hu meant: to deal with China-Japan relations from all political angles; to expand economic and trade exchanges and cooperation; and to place emphasis on improvement in friendship between people of the two countries.

Commenting on Hu's remarks that the Japanese leader's visits to Yasukuni Shrine worsened bilateral ties, Jia said, "Showing a way to resolve the issue, the president expressed China's sincerity toward resolution of the issue and good faith." He reportedly sought a forward-looking and well-meaning response from Japan.

7) China revises area for sea traffic ban, but questions remain about legality; Tokyo intends to question China about legal basis

YOMIURI (Page 2) (Excerpts)  
April 19, 2006

The Japanese government intends to question China on why it issued a notice banning ship traffic in a portion of the East China Sea, as well as the grounds for the notice. China later revised the notice; as a result, the Japanese side of the Japan-China median line is now excluded, but Japan still considers such a notice to lack a legal basis in international law.

The United Nations Convention on the Law of the Sea states that each nation can establish a safe zone around facilities and structures within its exclusive economic zone (EEZ) and restrict ship navigation, provided that such a safe zone extends 500 meters from facilities and structures. However, the zone specified in China's revised notice - an area stretching 3.6 kilometers east and west and 5 kilometers north to south - still goes far beyond what the UN Convention specifies.

The UN Convention states that all ships are required to respect a safe zone. This provision is a legal basis for expelling ships that enter that zone. If China regards the zone it has established as what is specified in the UN Convention, there will be potential dangers to Japanese ships if they pass through the zone.

A senior Foreign Ministry official yesterday emphasized: "We need to pay close attention to China to prevent it from hurting the freedom of navigation of Japanese ships and its fishing industry. If (China's notice) has no basis in law or treaty, we cannot allow it to take these forcible measures against ships."

8) JCG vessel departs from Tokyo to conduct survey around Takeshima; Survey may begin tomorrow

TOKYO SHIMBUN (Page 3) (Full)  
April 19, 2006

A Japan Coast Guard (JCG) vessel departed from Tokyo sometime

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before April 18 to conduct oceanographic activities around Takeshima, a group of disputed islets known as Tokdo in South Korea, persons concerned revealed yesterday.

The JCG survey was initially scheduled to start around April 20 but it is likely to slip to late April or alter because of a possible backlash from South Korea.

The survey will take place mainly in Japan's exclusive economic zone (EEZ), but given a fuzzy Japan-South Korea demarcation, the area of survey also includes part of the EEZ claimed by South Korea, according to the JCG. Japan has recognized the need to

conduct the survey in reaction to South Korea's move to independently propose a name for the sea floor of this area at an international conference to be held in late June in Germany.

The survey vessel was originally scheduled to enter Sakai Port in Tottori Prefecture, leave the port April 20, conduct a survey for a chart, and return to Sakai Port April 26.

9) ROK president alarmed by Japan's plan for survey around Takeshima, may take counteraction if survey conducted

YOMIURI (Page 2) (Full)  
April 19, 2006

By Kyoji Fukushima, Seoul

South Korean President Roh Moo Hyun yesterday strongly condemned the Japanese government for its plan to conduct a marine survey in the waters around Takeshima (Dokdo): "It can be seen as an act (by the Japanese government) justifying its history of aggression. It can be even viewed as a challenge to the future order of Northeast Asia."

This remark was made when the president exchanged views with senior members from the ruling and opposition parties. Roh suggested he would take rigorous action if Japan conducted the survey, noting: "We in the South Korean government have dealt with Dokdo, which is effectively under our country's rule, in a way to avoid having it escalate into an (international) issue, but we are now forced to make a decision on whether we will continue our previous stance."

Meanwhile, the South Korean Maritime Police Agency yesterday mobilized a total of 18 500-ton or larger patrol boats to the waters surrounding Takeshima (Dokdo) to keep watch on Japan's moves.

10) Japan mulls UN airlift support in Iraq

SANKEI (Page 2) (Abridged)  
April 19, 2006

The government is looking into the possibility of expanding the scope of Air Self-Defense Force missions in Iraq to engage in personnel and materiel airlift services for the United Nations, sources said yesterday. Japan eyes embarking on these services before recalling Ground Self-Defense Force troops currently deployed in Iraq. In its expanded scope of missions, the ASDF is expected to weigh airlifts for US forces. The government will therefore modify its master plan under a law for special measures

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to assist Iraq's reconstruction.

The United Nations Assistance Mission for Iraq (UNAMI) is currently at work in Iraq. However, the UNAMI actually depends on US and British military transport planes for its staff and materials. They will be left behind if there is no space on the planes. The United Nations has therefore asked the Japanese government to provide airlifts for its activities to be expanded in Iraq.

The ASDF is currently on airlift missions for the GSDF and US forces with its C-130 transports shuttled between Iraq's southern districts and Kuwait. The Defense Agency is considering providing C-130 airlifts to the United Nations, as well. However, Japan is now coordinating with the United States to expand the scope of ASDF airlift missions mainly for US forces while envisioning the future withdrawal of GSDF troops currently deployed in the southern Iraqi city of Samawah for humanitarian reconstruction assistance. As it stands, the Japanese government has asked the United Nations to talk with the US government.

The ASDF will also extend its airlift web for US forces in Iraq to cover Baghdad and other localities. Japan is expected to withdraw its Samawah-based troops this fall. In that case, the

ASDF will continue its airlift role mainly for US forces and will be tasked with security backup activities.

According to the government's current master plan, however, Japan is to conduct security backup activities as far as its humanitarian reconstruction activities are not affected. The government will therefore modify the master plan to define security-oriented logistics for the ASDF.

11) Tokyo, Washington to cooperate against cyberattacks; MOU signed

YOMIURI (Page 2) (Full)  
April 19, 2006

The governments of Japan and the US on April 18 signed an exchange of notes, which stipulates a system for the Defense Agency and the US Department of Defense to exchange of intelligence on such matters as countermeasures for computer viruses. The aim is to enhance both countries' capabilities to counter cyberattacks.

According to the memorandum of understanding (MOU), for security reasons, Japan's Joint Staff Office and the US Pacific Command will undertake the exchange of intelligence on antivirus measures and security issues through US forces in Japan. Conveying such information to a foreign country requires a prior written agreement.

The exchange of intelligence will focus on defense intelligence, but Tokyo and Washington will also exchange information on the systems of their governments as a whole and related data, according to need. Intelligence possessed by the Cabinet Secretariat Security Center, which is responsible for

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intelligence and security of the entire government, will also become subject to exchange.

This is the first time for Japan to sign an MOU like this. The US

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has already concluded similar pacts with Britain, Sweden, Canada, Australia, and New Zealand.

12) Japan, US to continue Yokota airspace talks to settle issue by 2009

TOKYO SHIMBUN (Page 3) (Full)  
April 19, 2006

Japan and the US have been trying to coordinate views for continued talks with the aim of partially returning the airspace now controlled by Yokota Air Base straddling Fussa and other municipalities in Tokyo by 2009, timed with the completion of the fourth runway at Haneda Airport. The issue was not specified in the final US force realignment report, sources revealed yesterday.

In past bilateral talks, the US had repeatedly rejected Japan's call for a total return of the airspace by citing the operation of US Air Force planes and other factors. But showing understanding to the excessive congestion of civilian planes using Haneda and Narita airports, the US broadly agreed in March to partially return the airspace.

But consequent talks have run into snags over such factors as the portion of the airspace to be returned, its scale, and a timeframe. As a result, the two countries have decided to continue talks on the airspace along with the military-civilian use of the Yokota base by establishing a panel after producing the final report.

The Yokota airspace stretches over Tokyo and eight prefectures in the Kanto region. Its maximum altitude is 7,000 meters. Because civilian planes are required to avoid the Yokota airspace, near-

miss cases could occur.

13) Abe: SDF personnel cuts mainly in rear-echelon area

ASAHI (Page 4) (Full)  
April 19, 2006

Chief Cabinet Secretary Shinzo Abe said yesterday before the House of Representatives Administrative Reform Special Committee regarding a plan to reduce the number of Self-Defense Force personnel: "It's important not to create any sacred areas. We will reduce the personnel mainly by entrusting rear-echelon operations to the private sector." Abe revealed the government's intention to reduce the size of the SDF pursuant to its plan to slash civil servants by 5% over the next five years.

Meanwhile, Defense Agency Director General Fukushima Nukaga cited education, food services, and periodical inspections of transport planes as examples of the "rear area." At the same time, the defense chief expressed reluctance about reducing SDF personnel, as is the case with civil servants, saying, "Closely associated with national security, some factors are nonnegotiable."

14) Keidanren to propose amending Copyright Law; Proposals include establishment of third-party organization to settle trouble over distribution of royalties

YOMIURI (Page 19) (Excerpts)

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April 19, 2006

The Japan Business Federation (Nippon Keidanren) yesterday compiled a set of policy proposals that, among other things, seeks revisions to the Copyright Law. The aim is to promote content distribution with an eye toward the fusion of telecommunications and broadcasting. The report pointed out the need for a new system of copyright law that would both protect copyright holders and facilitate the use of content. Envisioning repeated use of TV programs on the Internet, the proposals call for changes to the fees for secondary use and the creation of a third-party organization that will serve as an arbiter in the event of a dispute over royalties. Nippon Keidanren will shortly present the package of proposals to the government's Intellectual Property Rights Headquarters.

The proposals by this organization that counts numerous major corporations among its members will likely affect discussions by Internal Affairs and Communications Minister Takenaka's private study panel.

In view of the popularity of online games, which were not foreseen by the existing law, the report pointed out that it would be necessary to consolidate rules on the use of copyrighted products and called for a drastic revision to the Copyright Law, as well as a revision to the range of what is allowed as personal use.

15) Draft interim report on global strategy; Exports of agricultural, marine products to be doubled; Number of foreign tourists to be increased to 10 million; CEFP sets numerical targets

YOMIURI (Page 2) (Full)  
April 19, 2006

A draft interim report on a global strategy, which the Council on Economic and Fiscal Policy (CEFP, chaired by Prime Minister Koizumi) will finalize today, was unveiled. The panel will then compile a final report in May and reflect it in the government's basic policy guidelines on economic and fiscal management and structural reforms.

The draft included such targets as boosting exports of agricultural products, boosting the capacity of Narita and Haneda Airports, and attracting more foreign tourists. To achieve these



ends, the report set numerical targets with timetables. According to the draft, Japan will increase the number of its global research centers to 30 by 2010 in order to double the value of exports of agricultural and marine products to 600 billion yen in fiscal 2009. It will also increase the number of short-term foreign visitors by such means as broadcasting Japanese TV programs abroad. It will aim to increase the number of foreign tourists to 10 million by 2010. Other targets include an expansion of the number of foreign workers allowed to work in Japan and the establishment of an East Asia economic zone. The aim is to maintain Japan's competitiveness in the midst of growing pressure from the rise of China and India.

The draft interim report noted that Japan would aim to become a world-leading industrial nation and a country that displays intellectual leadership in the international community. As means

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to achieve this end, the report cited domestic structural reforms and boosting national wealth in cooperation with foreign countries.

On the economic front, the draft noted that Japan would aim to raise the ratio of the value of trade with free trade agreement partners to 25% and establish an East Asia economic zone, including ASEAN+3 (Japan, China and South Korea), India and Australia.

16) Japan to urge US, China to participate in a new anti-global warming framework that will follow the Kyoto Protocol

YOMIURI (Page 2) (Full)  
April 19, 2006

Since the Kyoto Protocol obligated industrialized nations to limit emissions of greenhouse gases but lacked anti-global warming measures after 2013, the Japanese government yesterday made clear its position to seek to establish a follow-on framework in which all nations, including the United States and China, would participate. Ahead of the first session for discussing post-Kyoto Protocol measures, planned in Germany in mid-May, the Japanese government presented this suggestion to the Secretariat of the United Nations Framework Convention on Climate

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Change.

Citing the fact that greenhouse gases emitted by the industrialized nations, which are obligated by the Kyoto Protocol to reduce the emissions of such gases, are only 30% or so of the world total emissions, the Japanese government stressed: "All the countries need to take emission-reduction measures in accordance with their respective capabilities." In addition, Japan has urged major emitters, such as China, which is not under obligation to reduce greenhouse gas emissions, and the US, to make their utmost to reduce emissions.

The May conference will be the first occasion for countries across the world, including the US and China, to discuss measures to be taken after the expiration of the Kyoto Protocol.

17) Minshuto President Ozawa in press conference plays up politeness of "new Ozawa"; Denies "secret meeting" with Soka Gakkai chairman

MAINICHI (Page 2) (Full)  
April 19, 2006

Minshuto (Democratic Party of Japan) President Ichiro Ozawa yesterday held his first press conference at party headquarters since he assumed his new post. He once dismissed meetings the press as "service." He has had many run-ins with the media in the past. Yesterday's press briefing, however, was extended more than 10 minutes beyond the set timeframe. In the 30-minute press conference, he played up the "new Ozawa" by responding to questions all smiles. He, however, denied with a straight face reports of a meeting with Soka Gakkai Chairman Einosuke Akiya,

saying, "I did not meet him."

Asked about his pledge in the presidential election that he would change himself, Ozawa responded: "I have to offset my faults within reason. I will respond to your questions in a polite way as much as I can." His remarks evoked laughter.

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Asked about Prime Minister Junichiro Koizumi's remark that Ozawa would try to split the Liberal Democratic Party (LDP), Ozawa answered, "The LDP will not break up as long as it is a ruling party. Please tell (the prime minister) that I will not make a vain effort." He sought to check the Prime Minister. When the person in charge of the press conference tried to end the session, he said: "I don't mind responding more questions. Let's continue."

Ozawa, however, he continued denying press reports that he met on April 11 with the Soka Gakkai chairman: "I did not meet him. That's your news coverage problem." The Soka Gakkai public relations office, meanwhile, has admitted that the meeting was held.

18) Minshuto to underscore "coexistence," "priority to UN" in new policy platform

MAINICHI (Page 5) (Excerpts)  
April 19, 2006

Under the leadership of new leader Ichiro Ozawa, the Democratic Party of Japan (Minshuto) will soon start a full-scale discussion to work out a new policy platform that will underscore its confrontational stance toward the Koizumi administration. Ozawa, keeping in mind the widening income disparity in the Japanese society, will emphasize the necessity of building a jobs and social-security safety net, with "coexistence" as the buzzword (TN: i.e. coexistence and co-prosperity -- a policy slogan used in postwar Japan to emphasize the harmonious and non-competitive aspects of the society or the government's social compact with the people). The key point on the national security front is to what extent Ozawa will be able to use his stock argument, a "United Nations-centered policy." But if he tries to come up with specific measures in a hasty manner, the opposition party may balk and split again. Given this situation, some observers anticipate Minshuto may not lay down its new platform before the fall.

"There are some issues on which our stance is somewhat vague in our platform, so I would like to also reach a clear-cut conclusion on these issues," Ozawa said in a press conference yesterday. He indicated his eagerness to start drafting a new policy platform immediately after the upcoming by-election in Chiba.

Ozawa has turned his attention to establishing a social safety net, with "co-existence" as the buzzword.

Ozawa has advocated neo-liberal policies in the past, such as thorough deregulation. Recently, however, he has criticized Koizumi's structural reforms as the main cause for creating a society with widening income disparity where the "law of the jungle" prevails, stressing the need for job-creation measures.

"The eight reform measures" Ozawa proposed in his campaign rhetoric for the latest party presidential election included a passage noting: "The basic portions of pension, nursing, and elderly medical spending should be financed with revenues from the consumption tax." In order to turn this proposal into action, a significant hike of the consumption tax hike will be

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unavoidable. He also suggested the need to lower the income tax rate. Some say that this measure is contradictory to his call for

safety nets.

Ozawa's eight policy measures

Finance the basic portions of pension, nursing, and elderly medical expenditures with revenues from the consumption tax.

Lower the consumption tax rate. Abolish the deduction system and increase allowances.

Completely scrap specific tied subsidies. Introduce a package subsidy system for local governments.

Have the central government take responsibility for compulsory education in the end and allow municipal governments to adopt their own programs without any restrictions.

Liberalize agricultural business, and introduce a deficiency payment system for mainstream products.

Set the challenge of protecting the global environment for humans as a national goal.

Establish an UN-centered security policy. Improve relations with China, South Korea, and other neighboring countries, with Japan-US relations as the bedrock of Japan's diplomacy.

Revive familial ties and regional solidarity. Create a society where people can live comfortably.

SCHIEFFER